

Internal Revenue Service

Number: **200816026**

Release Date: 4/18/2008

Index Number: 9100.22.00, 1503.04-04

Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

Refer Reply To:

CC:INTL

PLR-149228-07

Date:

January 15, 2008

Dear :

This letter supplements and modifies PLR-108529-07, issued October 3, 2007 (Previous Letter).

The legend of the Previous Letter is modified to read as follows:

Taxpayer =

Domestic Owner 1 =

Domestic Owner 2 =

Entity 1 =

Entity 2 =

Year 1 =

Year 2 =

Year 3 =

Country A =

Country B =

Country C =

Paragraphs 3 through 7 on page two of the Previous Letter are modified as follows:

During Years 2 and 3, Domestic Owner 1, a domestic corporation that was a member of Taxpayer's consolidated group, owned 100 percent of the interest in Entity 1, an entity organized under the laws of Country A. Such interest was a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4). During Years 2 and 3, Entity 1 had activities in Country A that constituted a foreign branch ("Foreign Branch 1") within the meaning of Treas. Reg. § 1.367(a)-6T(g). Foreign Branch 1 was a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A).

Dual consolidated losses were attributable to Foreign Branch 1 during Years 2 and 3. No dual consolidated losses were attributable to the interest in Entity 1 during such years. Taxpayer's tax department inadvertently failed to file the proper Elections for the Year 2 and Year 3 dual consolidated losses attributable to Foreign Branch 1.

During Years 2 and 3, Domestic Owner 2, a domestic corporation that was a member of Taxpayer's consolidated group, had activities in Country B that constituted a foreign branch ("Foreign Branch 2") within the meaning of Treas. Reg. § 1.367(a)-6T(g). Foreign Branch 2 was a separate unit described in Treas. Reg. § 1.1503-2(c)(3)(i)(A).

A dual consolidated loss was attributable to Foreign Branch 2 during Year 3. Taxpayer's tax department inadvertently failed to file an Election for such dual consolidated loss.

During Years 1 through 3, Taxpayer owned 100 percent of Entity 2, an entity organized under the laws of Country C. During Years 1 through 3, the interest in Entity 2 was a hybrid entity separate unit as described in Treas. Reg. § 1.1503-2(c)(4).

Paragraph 1 on page 3 of the Previous Letter is modified to read as follows:

A dual consolidated loss was attributable to Taxpayer's interest in Entity 2 during Years 1 and 2. Although Taxpayer's tax department filed an Election for the Year 1 loss, it inadvertently failed to file an Election for the Year 2 loss. Taxpayer also failed to file Annual Certifications for the Year 1 loss with its Year 2 and Year 3 returns, and for the Year 2 loss with its Year 3 return.

Paragraph 7 on page 3 of the Previous Letter is modified to read as follows:

Based on the facts and information submitted, we conclude that Taxpayer satisfies Treas. Reg. § 301.9100-3(a). Accordingly, Taxpayer is granted an extension of time of 60 days from the date of this ruling letter to file Elections with respect to the Year 2 and

Year 3 dual consolidated losses attributable to Foreign Branch 1, the Year 3 dual consolidated loss attributable to Foreign Branch 2, and the Year 2 dual consolidated loss attributable to the interest in Entity 2. In addition, Taxpayer is granted an extension of time of 60 days from the date of this ruling letter to file Annual Certifications in Year 3 with respect to the Year 2 dual consolidated loss attributable to the interest in Entity 2 and in Years 2 and 3 with respect to the Year 1 dual consolidated loss attributable to the interest in Entity 2.

Because of the amendments made to the previous ruling letter by this supplemental ruling letter, Taxpayer is granted an extension of time of 60 days from the date of this supplemental ruling letter to file the Elections and Certifications that were the subject of the Previous Letter and the Certifications that are the subject of this supplemental ruling letter.

Sincerely,

John J. Merrick
Special Counsel
Office of Associate Chief Counsel
(International)